

First Time Homebuyer's Credit Payback

14 January 2012

**R. Bruce McCommons
Harford County, MD TrC
rbrucemcc@comcast.net**

First Time Homebuyer's Credit Payback, cont'd...

To make a payment, link from the 1040, line 59b, to Form 5405, Page 2...

At the top, attribute form to Taxpayer or Spouse

This Form 5405 is for the Taxpayer Spouse

Enter the amount of the original credit in Part IV, line 14...

Enter the amount of the repayment on line 18...

Part IV: Repayment of Credit Claimed for 2008, 2009, or 2010		
14	Enter the amount of the credit you claimed on Form 5405 for 2008, 2009, or 2010. See instructions if you filed a joint return for the year you claimed the credit or checked the box on line 13f or 13g	6,000.
15	If you purchased the home in 2008, enter the amount of credit you repaid with your 2010 return. If the 2010 return was filed as married filing joint, consider one-half as repaid by each spouse.	400.
16	Subtract line 15 from line 14. If you checked the box on line 13f or 13g, see instructions. If you checked the box on line 13a, go to line 17. Otherwise, skip line 17 and go to line 18	5,600.
17	Gain on the sale of your main home (from line 25 below) Check the box below that applies to you.	0.
18	<input type="checkbox"/> I am reporting a disposition or change in use of my main home. If box 13a is checked, smaller of line 16 or line 17. If box 13g is checked for an event that occurred before 2009, see instructions. Otherwise, amount from line 16. <input checked="" type="checkbox"/> I am paying an installment of the credit I claimed for a home purchased in 2008. The minimum you must repay with your 2011 return is If line 18b is checked, amount you are paying with your 2011 return - you can pay more than the minimum amount, but not less	400. 400.
Amount of credit to be repaid		400.

Which will appear as an additional tax on the 1040, line 59...

59	Additional taxes	
a	Household employment taxes. Schedule H.	0.
b	Repayment of first-time homebuyer credit. Form 5405	400.

First Time Homebuyer's Credit Payback, cont'd...

If a husband and wife applied for and received the credit jointly, each is considered to have gotten half of the credit for purposes of repayment...

Thus, if they file a joint return, each has to file a Form 5405 claiming half of the credit on line 14, and making half of the total payment on line 18

Part IV: Repayment of Credit Claimed for 2008, 2009, or 2010		
14	Enter the amount of the credit you claimed on Form 5405 for 2008, 2009, or 2010. See instructions if you filed a joint return for the year you claimed the credit or checked the box on line 13f or 13g	3,000.
15	If you purchased the home in 2008, enter the amount of credit you repaid with your 2010 return. If the 2010 return was filed as married filing joint, consider one-half as repaid by each spouse.	200.
16	Subtract line 15 from line 14. If you checked the box on line 13f or 13g, see instructions. If you checked the box on line 13a, go to line 17. Otherwise, skip line 17 and go to line 18	2,800.
17	Gain on the sale of your main home (from line 25 below) Check the box below that applies to you.	0.
18	<input type="checkbox"/> I am reporting a disposition or change in use of my main home. If box 13a is checked, smaller of line 16 or line 17. If box 13g is checked for an event that occurred before 2009, see instructions. Otherwise, amount from line 16.	
	<input checked="" type="checkbox"/> I am paying an installment of the credit I claimed for a home purchased in 2008. The minimum you must repay with your 2011 return is	200.
	If line 18b is checked, amount you are paying with your 2011 return - you can pay more than the minimum amount, but not less	200.
Amount of credit to be repaid		200.

First Time Homebuyer's Credit Payback, cont'd...

If a husband and wife applied for and received the credit and one of them died in the tax year, the surviving spouse is only responsible for repayment of half of the loan...

In such cases, enter half of the original loan on line 14...

And the minimum repayment will be reduced accordingly

Part IV: Repayment of Credit Claimed for 2008, 2009, or 2010		
14	Enter the amount of the credit you claimed on Form 5405 for 2008, 2009, or 2010. See instructions if you filed a joint return for the year you claimed the credit or checked the box on line 13f or 13g	3,000.
15	If you purchased the home in 2008, enter the amount of credit you repaid with your 2010 return. If the 2010 return was filed as married filing joint, consider one-half as repaid by each spouse.	200.
16	Subtract line 15 from line 14. If you checked the box on line 13f or 13g, see instructions. If you checked the box on line 13a, go to line 17. Otherwise, skip line 17 and go to line 18	2,800.
17	Gain on the sale of your main home (from line 25 below) Check the box below that applies to you.	0.
18	<input type="checkbox"/> I am reporting a disposition or change in use of my main home. If box 13a is checked, smaller of line 16 or line 17. If box 13g is checked for an event that occurred before 2009, see instructions. Otherwise, amount from line 16.	
	<input checked="" type="checkbox"/> I am paying an installment of the credit I claimed for a home purchased in 2008. The minimum you must repay with your 2011 return is	200.
	If line 18b is checked, amount you are paying with your 2011 return - you can pay more than the minimum amount, but not less	200.
Amount of credit to be repaid		200.